

Pollard, Alfred

From: Pollard, Alfred

Sent: 11 Jul 2012 17:35:44 -0400

To: Dorfman, Richard; DeMarco, Edward; DeLeo, Wanda; Ugoletti, Mario; 'Robert C. Ryan (robert.c.ryan@hud.gov)'; 'Tozer, Theodore W'; 'Carol.J.Galante@hud.gov'; 'Benson, David C'; 'Jeff.Foster@treasury.gov'; 'Michael.Stegman@treasury.gov'; 'Mark D Hanson'

Subject: RE: San Bernadino Matter

Thank you.

FHFA is reviewing this matter and I have spoken with San Bernardino County this afternoon to gain more information about their intentions.

Alfred Pollard
General Counsel
FHFA

From: Dorfman, Richard [mailto:(b)(6)@sifma.org]

Sent: Wednesday, July 11, 2012 4:24 PM

To: Pollard, Alfred; DeMarco, Edward; DeLeo, Wanda; Ugoletti, Mario; 'Robert C. Ryan (robert.c.ryan@hud.gov)'; 'Tozer, Theodore W'; 'Carol.J.Galante@hud.gov'; 'Benson, David C'; 'Jeff.Foster@treasury.gov'; 'Michael.Stegman@treasury.gov'; 'Mark D Hanson'

Subject: San Bernadino Matter

Ladies and Gentlemen:

Here is an update as to the above:

The formative meeting of the San Bernadino Joint Resolution Authority, possibly to be empowered to pursue mortgage loan condemnation and taking by force of eminent domain will take place in San Bernadino this Friday at 9:00 AM.

Please note:

- SIFMA has been informed by three top-tier law firms that the constitutionality of the potential action is seriously doubtful;
- SIFMA will be represented in California by O'Melvany & Myers;
- SIFMA will be represented at Federal agencies and instrumentalities by Cleary Gottlieb;
- A group of top-tier institutional investors will be represented by Ropes & Gray;
- SIFMA has distributed to members draft language amending our TBA rules, that would serve to ban Enterprises' dealing in conforming mortgage loans sourced from jurisdictions that have authorized such use of eminent domain, whether that power has been used or not;
- SIFMA is planning to approach Federal banking, housing and mortgage regulators to argue for, *inter alia*, denying the enterprises the ability to acquire, guaranty or securitize

such loans (we would expect that with the intended closure of TBA to such loans they would be shunned in the markets).

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